



**STATE OF VERMONT**  
**OFFICE OF THE STATE TREASURER**

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**Press Contact:** Beth Pearce (802) 828-1451

**EDITOR NOTE:** Reporters who would like a copy of the report, may contact Tim Lueders-Dumont at the Treasurer's office via email at [Tim.Lueders-Dumont@state.vt.us](mailto:Tim.Lueders-Dumont@state.vt.us) or by calling (802) 828-1451.

## **State Treasurer Releases Report on Sustainability and Issues of Climate Change**

MONTPELIER, Vt.—Vermont State Treasurer Beth Pearce today released a report that documents a long-term process of constructive engagement efforts to address environmental, social and governance issues related to climate change. The report details actions taken and planned next steps in the administration of State funds and pension fund investments under the custody of the Treasurer's office.

"As State Treasurer, it's important to me that we meet our investment targets while ensuring that our partners live up to the Vermont values of corporate and social responsibility," said Pearce. "The report released today demonstrates how Vermont has used its position as an investor to engage with national and global businesses on the critical issues related to climate change. My hope is that this report will stimulate further discussion of ways Vermont may constructively engage with our partners."

The State Treasurer's Office administers the investment policies and strategies adopted by the Vermont Pension Investment Committee or VPIC for the benefit of the three retirement systems for State, municipal and teachers. The combined assets of the retirement plan portfolios are approximately \$4 billion. VPIC is an 11-member body with representatives from all three retirement systems, with an elected non-voting Chair. The State Treasurer serves as the Vice Chair and the Treasurer's office provides administrative investment management support.

Highlights of the report released today include the following recent shareholder engagement actions by the State Treasurer's Office.

- The Treasurer's office joined five other states this month in calling on the Securities and Exchange Commission (SEC) to strengthen disclosure of corporate political contributions and adopt a rule that would require all publicly traded corporations to disclose political giving.
- The Treasurer's office joined a coalition of 100 institutional investors in January 2015, in filing a resolution at BP that called for increased disclosure of corporate strategy on climate change and a low carbon transition as part of routine reporting in 2016. Management supported the resolution at the general meeting on April 16 and it passed with a preliminary vote count of 98 percent in support of the resolution.
- In December 2014, the Treasurer's office joined a coalition of 47 global investors in filing a shareholder resolution to challenge the ExxonMobil Corporation to adopt quantitative goals for reducing greenhouse gas emissions. Pearce will speak at a May 27 ExxonMobil annual general meeting to voice her concerns on behalf of VPIC and the State.

- In June 2014, acting as the sole governmental signatory among a group of global investors, Pearce signed on to a letter urging Krispy Kreme to adopt a policy of purchasing palm oil only from distributors and suppliers not engaged in the exploitation of workers nor harmful deforestation practices. The investor group represented assets of more than \$24 billion. As a result of this shareholder pressure, Krispy Kreme, along with industry peer Dunkin' Brands, committed itself to sourcing its palm oil from 100 percent responsible suppliers by the end of 2016.

"The threats resulting from climate change are acute and global in scale, requiring efforts at all levels of government, the private sector, and the public at large, to make the transition to a low carbon future," said Pearce. We look forward to working with these various constituencies to realize our sustainability goals related to climate change, while providing retirement security for the 48,000 active, vested and retired members of the pension system."

In 2014, a fossil-fuel-free investment option was added to the deferred compensation and other optional retirement investment programs overseen and administered by the Treasurer's office. This option provides employees the opportunity to invest in companies that support a sustainable future, while supplementing their retirement savings. To date, 171 participants have enrolled in the fossil-fuel-free option with assets totaling \$517,636.

"The Treasurer's office has also made a determined effort to leverage local investments to promote regional economic development and investment in energy financing and renewables," explained Pearce. "Most recently, the Treasurer's office worked with the Local Investment Advisory Committee to identify investments that may use up to 10 percent of the State's average daily cash balance for the benefit of Vermont's local economy and to meet our sustainability and efficiency goals."

Through constructive engagement practices, the Treasurer's office and VPIC leverage their standing and rights as shareholders to influence corporate and governmental entities. This includes, but is not limited to, shareholder resolutions, shareholder sign-on letters, and supporting policy initiatives for transparency.

A copy of the Vermont State Treasurer's Office Sustainability and Activity Report is available through the Treasurer's office web site. Go to **VermontTreasurer.gov** and click on the "Reports" tab on the right.